



TENNESSEE REGISTRY OF ELECTION FINANCE

Contribution Audit of James Bletner Pre-Primary 2006



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November 7, 2007

Members of the Registry of Election Finance
404 James Robertson Parkway, Suite 1614
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Ladies and Gentlemen,

Transmitted herewith is the agreed upon procedures for the un-itemized contribution audit of James Bletner's Pre-Primary Campaign Financial Disclosure Statement for his 2006 election campaign for the House of Representatives. This audit was conducted pursuant to the requirements of T.C.A. §2-10-212.

The procedures were developed to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Law and Campaign Contribution Limits Law. The candidate is responsible for complying with campaign finance laws and the accuracy of campaign financial disclosures. The sufficiency of these procedures is solely the responsibility of the Registry's internal audit group. Consequently, we make no representation regarding the sufficiency of the agreed upon procedures described in the report for any other purpose than aiding the Registry.

This report is intended for the information and use of the Members of the Tennessee Registry of Election Finance as outlined; and is not intended to be and should not be used by anyone other than the Registry without understanding the objectives, purposes, and underlying assumptions. This report, however, is a matter of public record.

Sincerely,

Jay Moeck, CPA, CFE
Audit Manager

STATE OF TENNESSEE
REGISTRY OF ELECTION FINANCE

Audit Highlights
James Bletner
2006 Pre-Primary Contribution Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine James Bletner's compliance with certain provisions of campaign finance disclosure laws and regulations; compliance with certain provisions of campaign contribution limits laws and regulations; accuracy and completeness of the un-itemized contribution disclosures on his 2006 Pre-Primary Campaign Financial Disclosure Statement; and to recommend appropriate actions to correct any deficiencies.

FINDINGS

The audit report contains no findings.

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INTRODUCTION

AUDIT AUTHORITY

In February 2006, the Tennessee Legislators and Governor Phil Bredesen enacted the “Comprehensive Governmental Ethics Reform Act of 2006,” which amended Tennessee’s campaign finance disclosure laws and duties of the Registry of Election Finance. The legislation established the audits of campaign disclosure reports. *Tennessee Code Annotated* (T.C.A.) §§2-10-206 and 2-10-212 authorize the Registry of Election Finance (Registry) to conduct audits of campaign finance disclosure statements filed with the Registry. The audit was initiated based on T.C.A. §2-10-212(i), which requires the Registry to audit any candidate that files a disclosure statement with more than 30% of the candidate’s contributions reported as un-itemized contributions and the un-itemized contributions were greater than \$5,000.00.

AUDIT PURPOSE

The Registry’s contribution audits were developed to assist and encourage candidate compliance with campaign disclosure laws. The audit process assists the Registry in providing timely and accurate campaign information to government officials and the general public. The Registry’s audits provide a tool to the Registry to evaluate the effectiveness of the campaign financial disclosure process. In addition, the audits assist the Registry with the enforcement of campaign finance limit laws and campaign finance disclosure laws. Finally, the audit reports are intended to assist the candidate and the State of Tennessee with promoting governmental accountability and integrity.

AUDIT SCOPE

Tennessee’s campaign financial disclosure law requires candidates to make biannual financial disclosures as of the date of the first contribution or first expenditure, whichever occurs earlier. The biannual report periods are from January 16 to June 30 and July 1 to January 15 of each year. During an election year, the disclosures expand to quarterly reports, pre-primary reports, and pre-general reports. This audit relates to disclosures made subsequent to the passage and approval of the Comprehensive Governmental Ethics Reform Act of 2006. The act was approved on February 15, 2006. In addition, the audit relates to only disclosure reports that meet the requirements listed in T.C.A. §2-10-212(i). Therefore, the audit reviewed only Mr. Bletner’s disclosures on his 2006 pre-primary report.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

James Bletner was a candidate in the August 3, 2006 primary election for the House of Representatives for district 17. Mr. Bletner filed an Appointment of Political Treasurer Statement with the Registry on May 6, 2006 appointing Haywood Harris as political treasurer.

The candidate's first financial disclosure for the 2006 campaign was the 2006 second quarter report, which was originally filed on July 10, 2006 and amended on July 31, 2006. As of October 31, 2007, the candidate's most current disclosure report was the 2006 annual mid-year supplemental (2007) report, which he filed on July 16, 2007. The annual mid-year supplemental report indicated \$48.96 in cash on hand, \$0.00 in outstanding obligations, and \$17,600.00 in outstanding loans. The candidate's next report will be due on January 31, 2008 and will cover the period of July 1, 2007 to January 15, 2008.

OVERVIEW OF FINANCIAL ACTIVITIES

The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2006 second quarter, 2006 pre-primary, 2006 third quarter, 2006 fourth quarter, and 2006 annual mid-year supplemental (2007) reports after amendments. As noted in the audit scope, we only audited un-itemized contributions from disclosures for the 2006 pre-primary report. The amounts displayed are for informational purposes only.

Summary of Financial Activity (Un-audited Amounts)

Cash on hand at April 1, 2006		\$402.00	1
Receipts			
Itemized	\$7,750.00		
Un-itemized	7,110.00		
Interest	0.00		
Loans received	12,140.00		
Total receipts		<u>\$27,000.00</u>	
Disbursements			
Itemized	25,414.54		
Un-itemized	598.50		
Loans principal payments	1,340.00		
Total disbursements		<u>\$27,353.04</u>	
Cash on hand at June 30, 2007		<u>\$48.96</u>	
Loans outstanding at June 30, 2007		\$17,600.00	2
Obligations at June 30, 2007		\$0.00	
Total in-kind contributions received		\$0.00	

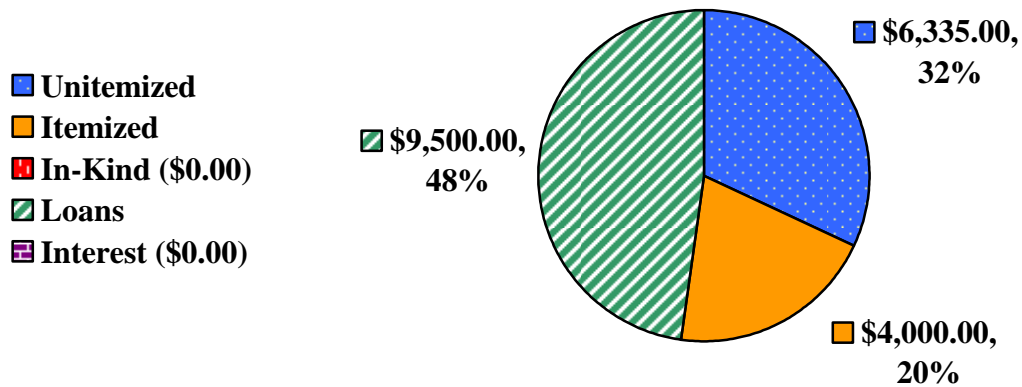
1 The cash balance at 4/1/2006 was funds transferred from the candidate's 2004 campaign.

2 The loans outstanding balance at 6/30/2007 includes \$6,800.00 in loans outstanding transferred from the candidate's 2004 campaign.

CHARTS

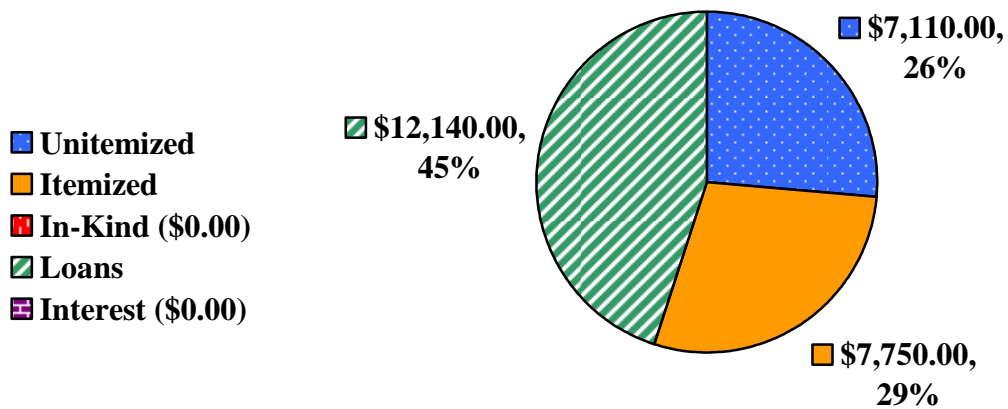
2006 PRE-PRIMARY CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2006 pre-primary report.



2006 ELECTION CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate for the 2006 election campaign.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

UN-ITEMIZED CONTRIBUTIONS AND RECEIPTS

Audit Objectives:

The objectives of our audit of un-itemized contributions were to determine whether:

- campaign contributions from individuals and Political Action Committees (PAC) were within limits;
- all contributions were from non-prohibited sources;
- all contributions received were reported, reported in the proper period, reported in compliance with T.C.A. §§2-10-105 and 2-10-107, and reported in compliance with the Registry's rules; and
- all contributions were supported by bank statements and deposit slips.

Audit Methodology:

The Registry obtained Mr. Bletner's 2006 Pre-Primary Campaign Financial Disclosure Statement to verify that the un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions reported. We requested Mr. Bletner to provide supporting documentation for the un-itemized contributions of \$6,335.00 that he reported on his pre-primary report. Mr. Bletner's campaign records for the pre-primary included his bank statements, photocopied deposit slips, check copies, and cash contribution documentation. The following steps were performed on Mr. Bletner's campaign documentation:

- The documentation was reviewed to determine if the candidate's un-itemized contributions received from July 1, 2006 thru July 24, 2006 totaled \$6,335.00.
- A list of un-itemized contributions was prepared and compared to the candidate's bank statements to determine if the candidate deposited all funds into a campaign bank account and properly recorded the funds.
- A list of un-itemized contributions by contributor was prepared and compared to the candidate's itemized contributions reported during the election to determine if campaign contributions from individuals and PACs complied with campaign contribution limits, T.C.A. §2-10-301, et seq.
- An un-itemized contributions list was reviewed to determine if all contributions were reported, all receipts received were reported, all contributions were reported in the

proper period, all contributions were in compliance with T.C.A. §§2-10-105 and 2-10-107, and all contributions were in compliance with the Registry's rules.

Audit Conclusion:

Mr. Bletner's 2006 Pre-Primary Campaign Financial Disclosure Statement reported un-itemized contributions greater than \$5,000.00 and 30% of the total contributions. The campaign records indicated that Mr. Bletner deposited the un-itemized contributions that he reported on his pre-primary report into his campaign account. In addition, Mr. Bletner's un-itemized contributions complied with campaign finance laws and Registry rules.

RESOLUTIONS

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the 2006 contribution audit of Mr. Bletner during the November 14, 2007 regular monthly meeting. The report contained no findings for corrective actions. The Registry voted to accept and approve the audit report.